

HOUSE BILL No. 1344

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-20-1-28; IC 6-1.1; IC 6-9-39-5; IC 12-20-28-4.

Synopsis: Administration of property tax deductions. Provides that a county auditor may request a list of landlords and addresses for single family dwellings being rented under a housing program administered under the Indiana housing and community development authority law or being rented through township assistance. Requires an application for a property tax standard deduction to include: (1) the last five digits of the applicant's Social Security number and the last five digits of the Social Security number of the applicant's spouse; and (2) information concerning any other location where the applicant or the applicant's spouse owns, is buying on contract, or has a beneficial interest in residential property. Requires sales disclosure forms, closing agent forms, and property tax bills to include information concerning the consequences of claiming more than one standard deduction and the procedures and deadlines for terminating a standard deduction. Requires homestead owners to verify each year that their property is their principal place of residence. Establishes other filing requirements for a property tax standard deduction that are similar to the filing requirements that applied to homestead credit applications. Allows legal entities whose sole owner is the individual residing in a homestead to claim the standard deduction. Provides that a county treasurer may apply a property tax deduction or homestead credit on a provisional tax statement and requires deductions and credits to be applied if a provisional statement is used two consecutive years. Provides that deductions and credits are removed from property when a tax statement is returned with an expired forwarding order. Imposes a civil penalty of \$100 for each year a person wrongly takes a property
(Continued next page)

Effective: July 1, 2009.

Pryor

January 13, 2009, read first time and referred to Committee on Ways and Means.



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tax deduction or credit. Provides that the county auditor shall prepare and send a notice of taxes due when a deduction is wrongly claimed. Permits a county auditor to use delinquent taxes, interest, and penalties collected in response to the termination of a standard deduction to pay for the costs of discovering erroneously granted standard deductions and for other expenses of the office of the county auditor. Makes other changes to reconcile differences in the law related to the enactment of HEA 1001-2008 and HEA 1293-2008.

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Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1344

A BILL FOR AN ACT to amend the Indiana Code concerning
taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-20-1-28 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2009]: **Sec. 28. Upon request of a county auditor, the authority**
4 **shall provide without charge a list showing the names of all**
5 **landlords of single family dwellings governed by this article and**
6 **the corresponding addresses of these single family dwellings.**
7 SECTION 2. IC 6-1.1-5.5-5, AS AMENDED BY P.L.144-2008,
8 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2009]: Sec. 5. (a) The department of local government finance
10 shall prescribe a sales disclosure form for use under this chapter. The
11 form prescribed by the department of local government finance must
12 include at least the following information:
13 (1) The key number (as defined in IC 6-1.1-1-8.5) of each parcel.
14 (2) With respect to each parcel, whether the entire parcel is being
15 conveyed.



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- 1 (3) The address of each improved parcel.
- 2 (4) The date of the execution of the form.
- 3 (5) The date the property was transferred.
- 4 (6) Whether the transfer includes an interest in land or
- 5 improvements, or both.
- 6 (7) Whether the transfer includes personal property.
- 7 (8) An estimate of the value of any personal property included in
- 8 the transfer.
- 9 (9) The name, address, and telephone number of:
- 10 (A) each transferor and transferee; and
- 11 (B) the person that prepared the form.
- 12 (10) The mailing address to which the property tax bills or other
- 13 official correspondence should be sent.
- 14 (11) The ownership interest transferred.
- 15 (12) The classification of the property (as residential, commercial,
- 16 industrial, agricultural, vacant land, or other).
- 17 (13) Subject to subsection (c), the total price actually paid or
- 18 required to be paid in exchange for the conveyance, whether in
- 19 terms of money, property, a service, an agreement, or other
- 20 consideration, but excluding tax payments and payments for legal
- 21 and other services that are incidental to the conveyance.
- 22 (14) The terms of seller provided financing, such as interest rate,
- 23 points, type of loan, amount of loan, and amortization period, and
- 24 whether the borrower is personally liable for repayment of the
- 25 loan.
- 26 (15) Any family or business relationship existing between the
- 27 transferor and the transferee.
- 28 (16) A legal description of each parcel subject to the conveyance.
- 29 (17) Whether the transferee is using the form to claim ~~the~~
- 30 **following one (1) or more deductions under IC 6-1.1-12-44** for
- 31 property taxes first due and payable in a calendar year after 2008.
- 32 (A) ~~One (1) or more deductions under IC 6-1.1-12-44.~~
- 33 (B) ~~The homestead credit under IC 6-1.1-20.9-3.5.~~
- 34 (18) If the transferee uses the form to claim the ~~homestead credit~~
- 35 **standard deduction** under IC 6-1.1-20.9-3.5, the name of any
- 36 other county and township in which the transferee of residential
- 37 real property owns or is buying residential real property.
- 38 **IC 6-1.1-12-37, the information required for a standard**
- 39 **deduction under IC 6-1.1-12-37.**
- 40 (19) **Sufficient instructions and information to permit a party**
- 41 **to terminate a standard deduction under IC 6-1.1-12-37 on**
- 42 **any parcel of property on which the party or the spouse of the**

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party will no longer be eligible for the standard deduction under IC 6-1.1-12-37 after the party or the party's spouse begins to reside at the property that is the subject of the sales disclosure form, including an explanation of the tax consequences and applicable penalties if a party unlawfully claims a standard deduction under IC 6-1.1-12-37.

(19)(20) Other information as required by the department of local government finance to carry out this chapter.

If a form under this section includes the telephone number or **part or all of** the Social Security number of a party, the telephone number or the Social Security number is confidential.

(b) The instructions for completing the form described in subsection (a) must include the information described in IC 6-1.1-12-43(c)(1).

(c) If the conveyance includes more than one (1) parcel as described in section 3(h) of this chapter, the form:

- (1) is not required to include the price referred to in subsection (a)(13) for each of the parcels subject to the conveyance; and
- (2) may state a single combined price for all of those parcels.

SECTION 3. IC 6-1.1-12-17.8, AS AMENDED BY P.L.144-2008, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17.8. (a) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year.

(b) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year and who becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the real property, mobile home, or manufactured home for which the individual claims the deduction is located of the individual's ineligibility in the year in which the individual becomes ineligible.

(c) The auditor of each county shall, in a particular year, apply a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter to each individual who received the deduction in the preceding year unless the auditor determines that the individual is no longer eligible for the deduction.

(d) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the deduction in the following year is not required to file a statement to reapply for the deduction following the removal of the joint owner if:

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(1) the individual is the sole owner of the property following the death of the individual's spouse;

(2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or

(3) the individual is awarded sole ownership of the property in a divorce decree.

(e) A trust entitled to a deduction under section 9, 11, 13, 14, 16, or 17.4 of this chapter for real property owned by the trust and occupied by an individual in accordance with section ~~17.9~~ **17.9(a)** of this chapter is not required to file a statement to apply for the deduction, if:

(1) the individual who occupies the real property receives a deduction provided under section 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year; and

(2) the trust remains eligible for the deduction in the following year.

SECTION 4. IC 6-1.1-12-17.9, AS AMENDED BY P.L.101-2008, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17.9. **(a)** A trust is entitled to a deduction under section 9, 11, 13, 14, 16, or 17.4 of this chapter for real property owned by the trust and occupied by an individual if the county auditor determines that the individual:

(1) upon verification in the body of the deed or otherwise, has either:

(A) a beneficial interest in the trust; or

(B) the right to occupy the real property rent free under the terms of a qualified personal residence trust created by the individual under United States Treasury Regulation 25.2702-5(c)(2);

(2) otherwise qualifies for the deduction; and

(3) would be considered the owner of the real property under IC 6-1.1-1-9(f) or IC 6-1.1-1-9(g).

(b) A entity is entitled to a deduction under section 37 of this chapter for real property owned by the entity and occupied by an individual if the county auditor determines all of the following:

(1) The individual, upon verification in the organizational documents and federal income tax return, is the sole owner of the entity.

(2) The entity has no purpose other than ownership of the residence.

(3) The individual otherwise qualifies for the deduction.

SECTION 5. IC 6-1.1-12-37, AS AMENDED BY P.L.146-2008, SECTION 115, IS AMENDED TO READ AS FOLLOWS

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[EFFECTIVE JULY 1, 2009]: Sec. 37. (a) The following definitions apply throughout this section:

(1) "Dwelling" means any of the following:

(A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

(2) "Homestead" means an individual's principal place of residence: ~~that:~~

(A) ~~that~~ is located in Indiana;

(B) ~~the individual:~~ **that:**

(i) **the individual** owns;

(ii) **the individual** is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; ~~or~~

(iii) **the individual** is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216);

(iv) **is a residence described in section 17.9(a) of this chapter that is owned by a trust in which the individual has a beneficial interest; or**

(v) **is a residence described in section 17.9(b) of this chapter that is owned by an entity in which only the individual has a beneficial interest; and**

(C) ~~that~~ consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

(b) Each year an individual who on March 1 of a particular year or, in the case of a mobile home that is assessed as personal property, the immediately following January 15, either owns or is buying a homestead under a contract, recorded in the county recorder's office, that provides the individual is to pay property taxes on the **individual or entity obligated to pay property taxes on a homestead for a particular assessment date** is entitled to a standard deduction from the assessed value of the homestead **for that assessment date. The deduction provided by this section applies to property taxes first due and payable for an assessment date only if the individual has an interest in the homestead described in subsection (a)(2)(B) on:**

(1) the assessment date; or

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(2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this chapter, if the property consists of real property.

Subject to subsection (c), the auditor of the county shall record and make the deduction for the ~~person~~ **individual or entity** qualifying for the deduction.

(c) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

(1) sixty percent (60%) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or

(2) forty-five thousand dollars (\$45,000).

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(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(e) Except as provided in sections 17.8 and 44 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include:

(1) the parcel number or key number of the property and the name of the city, town, or township in which the property is located;

(2) the name of any other location in which the applicant or the applicant's spouse owns, is buying, or has a beneficial interest in residential real property; and

(3) the last five (5) digits of the transferee's Social Security number and the last five (5) digits of the Social Security number of the transferee's spouse (if any).

The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed. With respect to real property, the person must file the statement during the year for which the person desires to obtain the deduction. With respect

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to a mobile home that is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of the year for which the person desires to obtain the deduction. With respect to real property owned by an entity described in section 17.9(b) of this chapter, the deduction applies only for the year the deduction application is properly filed and is not to be carried over to any subsequent year unless a new application is filed and approved by the county auditor.

(f) If an individual who is receiving the deduction provided by this chapter:

(1) changes the use of the individual's property so that part or all of the property no longer qualifies for the deduction under this section; or

(2) is no longer eligible for a deduction under this section on another parcel of property because:

(A) the individual would otherwise receive the benefit of more than one (1) deduction under this chapter; or

(B) the individual maintains the individual's principal place of residence with another individual who receives a deduction under this section;

the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use, not more than sixty (60) days after the date of that change. An individual who fails to file the statement required by this subsection is liable for any additional taxes that would have been due on the property if the individual had filed the statement as required by this subsection plus one hundred dollars (\$100) for each year the violation occurs. This amount becomes part of the property tax liability for purposes of this article.

~~(e)~~ (g) The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.

~~(f)~~ (h) This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on March 1 in the same year in which an application for a deduction is filed under this section or, if the application is for a homestead that is assessed as personal property, on March 1 in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of

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the application. The county auditor may not grant an individual or a married couple a deduction under this section if:

- (1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and
- (2) the applications claim the deduction for different property.

(i) The department of local government finance shall provide secure access to county auditors to a homestead property data base that includes access to the homestead owner's name and the last five (5) digits of the homestead owner's Social Security number for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.5.

SECTION 6. IC 6-1.1-12-43, AS AMENDED BY P.L.145-2008, SECTION 9, AND AS AMENDED BY P.L.146-2008, SECTION 120, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 43. (a) For purposes of this section:

- (1) "benefit" refers to
 - ~~(A)~~ a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29, 31, 33, ~~or 34, 37, or 37.5~~ of this chapter; ~~or~~
 - ~~(B) the homestead credit under IC 6-1.1-20.9-2;~~
- (2) "closing agent" means a person that closes a transaction;
- (3) "customer" means an individual who obtains a loan in a transaction; and
- (4) "transaction" means a single family residential:
 - (A) first lien purchase money mortgage transaction; or
 - (B) refinancing transaction.

(b) Before closing a transaction after December 31, 2004, a closing agent must provide to the customer the form referred to in subsection (c).

(c) Before June 1, 2004, the department of local government finance shall prescribe the form to be provided by closing agents to customers under subsection (b). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

- (1) on one (1) side:
 - (A) list each benefit;
 - (B) list the eligibility criteria for each benefit; and
 - (C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real

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- property is refinanced;
- (2) on the other side indicate:
- (A) each action by and ~~(B)~~ each type of documentation from the customer required to file for each benefit; **and**
- (B) sufficient instructions and information to permit a party to terminate a standard deduction under section 37 of this chapter on any property on which the party or the spouse of the party will no longer be eligible for the standard deduction under section 37 of this chapter after the party or the party's spouse begins to reside at the property that is the subject of the closing, including an explanation of the tax consequences and applicable penalties, if a party unlawfully claims a standard deduction under section 37 of this chapter; and**
- (3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).
- (d) A closing agent:
- (1) may reproduce the form referred to in subsection (c);
- (2) in reproducing the form, must use a print color prescribed by the department of local government finance; and
- (3) is not responsible for the content of the form referred to in subsection (c) and shall be held harmless by the department of local government finance from any liability for the content of the form.
- (e) This subsection applies to a transaction that is closed after December 31, 2009. In addition to providing the customer the form described in subsection (c) before closing the transaction, a closing agent shall do the following as soon as possible after the closing, and within the time prescribed by the department of insurance under IC 27-7-3-15.5:*
- (1) To the extent determinable, input the information described in IC 27-7-3-15.5(c)(2) into the system maintained by the department of insurance under IC 27-7-3-15.5.*
- (2) Submit the form described in IC 27-7-3-15.5(c) to the data base described in IC 27-7-3-15.5(c)(2)(D).*
- ~~(f)~~ (f) A closing agent to which this section applies shall document ~~its~~ the closing agent's compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.
- ~~(g)~~ (g) Subject to IC 27-7-3-15.5(d), a closing agent is subject to a

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1 civil penalty of twenty-five dollars (\$25) for each instance in which the
 2 closing agent fails to comply with this section with respect to a
 3 customer. The penalty:

4 (1) may be enforced by the state agency that has administrative
 5 jurisdiction over the closing agent in the same manner that the
 6 agency enforces the payment of fees or other penalties payable to
 7 the agency; and

8 (2) shall be paid into:

9 (A) the *property tax replacement state general fund, if the*
 10 *closing agent fails to comply with subsection (b); or*

11 (B) *the home ownership education account established by*
 12 *IC 5-20-1-27, if the closing agent fails to comply with*
 13 *subsection (e) in a transaction that is closed after December*
 14 *31, 2009.*

15 (h) A closing agent is not liable for any other damages claimed by
 16 a customer because of:

17 (1) the closing agent's mere failure to provide the appropriate
 18 document to the customer *under subsection (b); or*

19 (2) *with respect to a transaction that is closed after December 31,*
 20 *2009, the closing agent's failure to input the information or*
 21 *submit the form described in subsection (e).*

22 ~~(g)~~ (i) The state agency that has administrative jurisdiction over a
 23 closing agent shall:

24 (1) examine the closing agent to determine compliance with this
 25 section; and

26 (2) impose and collect penalties under subsection ~~(f)~~ (g).

27 SECTION 7. IC 6-1.1-22-8.1, AS AMENDED BY P.L.3-2008,
 28 SECTION 53, AND AS AMENDED BY P.L.146-2008, SECTION
 29 251, IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2009]: Sec. 8.1. (a) ~~This section applies only to~~
 31 ~~property taxes and special assessments first due and payable after~~
 32 ~~December 31, 2007.~~

33 ~~(b)~~ The county treasurer shall:

34 (1) mail to the last known address of each person liable for any
 35 property taxes or special assessment, as shown on the tax
 36 duplicate or special assessment records, or to the last known
 37 address of the most recent owner shown in the transfer book; and

38 (2) transmit by written, electronic, or other means to a mortgagee
 39 maintaining an escrow account for a person who is liable for any
 40 property taxes or special assessments, as shown on the tax
 41 duplicate or special assessment records;

42 a statement in the form required under subsection ~~(c)~~ (b). *However, for*

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property taxes first due and payable in 2008, the county treasurer may choose to use a tax statement that is different from the tax statement prescribed by the department under subsection ~~(c)~~ **(b)**. If a county chooses to use a different tax statement, the county must still transmit (with the tax bill) the statement in either color type or black-and-white type.

~~(c)~~ **(b)** The department of local government finance shall prescribe a form, subject to the approval of the state board of accounts, for the statement under subsection ~~(b)~~ **(a)** that includes at least the following:

(1) A statement of the taxpayer's current and delinquent taxes and special assessments.

(2) A breakdown showing the total property tax and special assessment liability and the amount of the taxpayer's liability that will be distributed to each taxing unit in the county.

(3) An itemized listing for each property tax levy, including:

(A) the amount of the tax rate;

(B) the entity levying the tax owed; and

(C) the dollar amount of the tax owed.

(4) Information designed to show the manner in which the taxes and special assessments billed in the tax statement are to be used.

(5) A comparison showing any change in the assessed valuation for the property as compared to the previous year.

(6) A comparison showing any change in the property tax and special assessment liability for the property as compared to the previous year. The information required under this subdivision must identify:

(A) the amount of the taxpayer's liability distributable to each taxing unit in which the property is located in the current year and in the previous year; and

(B) the percentage change, if any, in the amount of the taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year.

(7) An explanation of the following:

(A) ~~The Homestead credit and credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law that are available in the taxing district where the property is located.~~

(B) All property tax deductions **that are available in the taxing district where the property is located.**

~~(B)~~ (C) The procedure and deadline for filing for ~~the any available homestead credit credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law~~ and each deduction.

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~~(C)~~ **(D)** The procedure that a taxpayer must follow to:

- (i) appeal a current assessment; or
- (ii) petition for the correction of an error related to the taxpayer's property tax and special assessment liability.

~~(D)~~ **(E)** The forms that must be filed for an appeal or a petition described in clause ~~(C)~~: **(D)**.

(F) The procedure and deadline that a taxpayer must follow and the forms that must be used if a credit or deduction has been granted for the property and the taxpayer is no longer eligible for the credit or deduction.

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

(8) A checklist that shows:

(A) ~~the~~ homestead ~~credit credits~~ **under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law** and all property tax deductions; and

(B) whether ~~the each~~ homestead credit and ~~each~~ property tax deduction applies in the current statement for the property transmitted under subsection ~~(b)~~: **(a)**.

(9) A notice that must be returned by the taxpayer to the county auditor with the taxpayer's verification of the items required by this subdivision. The notice does not have to be returned if the property remains qualified for the standard deduction. The notice must explain the tax consequences and applicable penalties if a taxpayer unlawfully claims a standard deduction under IC 6-1.1-12-37 on:

(A) more than one (1) parcel of property; or

(B) property that is not the taxpayer's principal place of residence or is otherwise not eligible for the standard deduction.

The notice must include a place for the taxpayer to verify whether the property is not the taxpayer's principal place of residence, is not being purchased on contract, or is rental property or investment property. The notice must be a separate form printed on paper that is a different color than the tax statement.

~~(d)~~ **(c)** The county treasurer may mail or transmit the statement one (1) time each year at least fifteen (15) days before the date on which the first or only installment is due. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for

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the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment. **If a statement is returned to the county treasurer as undeliverable and the forwarding order is expired, the county treasurer shall notify the county auditor of this fact. Upon receipt of the county treasurer's notice, the county auditor shall treat the property as not being eligible for any deductions under IC 6-1.1-12 or any homestead credits under IC 6-1.1-20.4 and IC 6-3.5-6-13.**

~~(c)~~ (d) All payments of property taxes and special assessments shall be made to the county treasurer. The county treasurer, when authorized by the board of county commissioners, may open temporary offices for the collection of taxes in cities and towns in the county other than the county seat.

~~(f)~~ (e) The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included in the statement under subsection ~~(c)~~ (b).

~~(g)~~ (f) The information to be included in the statement under subsection ~~(c)~~ (b) must be simply and clearly presented and understandable to the average individual.

~~(h)~~ (g) After December 31, 2007, a reference in a law or rule to IC 6-1.1-22-8 (*expired January 1, 2008, and repealed*) shall be treated as a reference to this section.

SECTION 8. IC 6-1.1-22-9, AS AMENDED BY P.L.146-2008, SECTION 252, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 9. (a) Except as provided in ~~subsections~~ subsection (b), ~~and (c)~~ the property taxes assessed for a year under this article are due in two (2) equal installments on May 10 and November 10 of the following year.

(b) Subsection (a) does not apply if any of the following apply to the property taxes assessed for the year under this article:

- (1) Subsection (c).
- (2) Subsection (d).
- ~~(3) Subsection (h):~~
- ~~(4) Subsection (i):~~
- ~~(5) (3) IC 6-1.1-7-7.~~
- ~~(6) (4) Section 9.5 of this chapter.~~
- (5) Section 9.7 of this chapter.**

(c) A county council may adopt an ordinance to require a person to pay the person's property tax liability in one (1) installment, if the tax liability for a particular year is less than twenty-five dollars (\$25). If the

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1 county council has adopted such an ordinance, then whenever a tax
 2 statement mailed under section 8.1 of this chapter shows that the
 3 person's property tax liability for a year is less than twenty-five dollars
 4 (\$25) for the property covered by that statement, the tax liability for
 5 that year is due in one (1) installment on May 10 of that year.

6 (d) If the county treasurer receives a copy of an appeal petition
 7 under IC 6-1.1-18.5-12(d) before the county treasurer mails or
 8 transmits statements under section ~~8.1(b)~~ 8.1 of this chapter, the county
 9 treasurer may:

10 (1) mail or transmit the statements without regard to the pendency
 11 of the appeal and, if the resolution of the appeal by the department
 12 of local government finance results in changes in levies, mail or
 13 transmit reconciling statements under subsection (e); or

14 (2) delay the mailing or transmission of statements under section
 15 ~~8.1(b)~~ 8.1 of this chapter so that:

16 (A) the due date of the first installment that would otherwise
 17 be due under subsection (a) is delayed by not more than sixty
 18 (60) days; and

19 (B) all statements reflect any changes in levies that result from
 20 the resolution of the appeal by the department of local
 21 government finance.

22 (e) A reconciling statement under subsection (d)(1) must indicate:

23 (1) the total amount due for the year;

24 (2) the total amount of the installments paid that did not reflect
 25 the resolution of the appeal under IC 6-1.1-18.5-12(d) by the
 26 department of local government finance;

27 (3) if the amount under subdivision (1) exceeds the amount under
 28 subdivision (2), the adjusted amount that is payable by the
 29 taxpayer:

30 (A) as a final reconciliation of all amounts due for the year;
 31 and

32 (B) not later than:

33 (i) November 10; or

34 (ii) the date or dates established under section 9.5 of this
 35 chapter; and

36 (4) if the amount under subdivision (2) exceeds the amount under
 37 subdivision (1), that the taxpayer may claim a refund of the excess
 38 under IC 6-1.1-26.

39 (f) If property taxes are not paid on or before the due date, the
 40 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent
 41 taxes.

42 (g) Notwithstanding any other law, a property tax liability of less

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than five dollars (\$5) is increased to five dollars (\$5). The difference between the actual liability and the five dollar (\$5) amount that appears on the statement is a statement processing charge. The statement processing charge is considered a part of the tax liability.

SECTION 9. IC 6-1.1-22.5-8, AS ADDED BY P.L.1-2004, SECTION 37, AND AS ADDED BY P.L.23-2004, SECTION 40, AND AMENDED BY P.L.219-2007, SECTION 65, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Sec. 8. (a) A provisional statement must:

- (1) be on a form approved by the state board of accounts;
- (2) except as provided in emergency rules adopted under section 20 of this chapter **and subsection (b)**, indicate tax liability in the amount of ninety percent (90%) of the tax liability that was payable in the same year as the assessment date for the property for which the provisional statement is issued;
- (3) indicate:
 - (A) that the tax liability under the provisional statement is determined as described in subdivision (2); and
 - (B) that property taxes billed on the provisional statement:
 - (i) are due and payable in the same manner as property taxes billed on a tax statement under ~~IC 6-1.1-22-8~~; **IC 6-1.1-22-8.1**; and
 - (ii) will be credited against a reconciling statement;
- (4) include *the following* ~~a~~ *statement in the following or a substantially similar form, as determined by the department of local government finance:*

"Under Indiana law, _____ County (insert county) has elected to send provisional statements because the county did not complete the abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in (insert year) in each taxing district before March 16, (insert year). The statement is due to be paid in installments on ~~May 10~~ _____ (insert date) and ~~November 10~~ _____ (insert date). The statement is based on ninety percent (90%) of your tax liability for taxes payable in (insert year), subject to adjustment for any new construction on your property *or any damage to your property*. After the abstract of property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in (insert year), minus the amount you pay under this provisional statement.";
- (5) indicate liability for:
 - (A) delinquent:

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- 1 (i) taxes; and
- 2 (ii) special assessments;
- 3 (B) penalties; and
- 4 (C) interest;
- 5 is allowed to appear on the tax statement under IC 6-1.1-22-8 for
- 6 the ~~May~~ first installment of property taxes in the year in which the
- 7 provisional tax statement is issued; and

8 **(6) include:**

9 **(A) a checklist that shows:**

- 10 **(i) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13,**
- 11 **or another law and all property tax deductions; and**
- 12 **(ii) whether each homestead credit and property tax**
- 13 **deduction was applied in the current provisional**
- 14 **statement;**

- 15 **(B) an explanation of the procedure and deadline that a**
- 16 **taxpayer must follow and the forms that must be used if a**
- 17 **credit or deduction has been granted for the property and**
- 18 **the taxpayer is no longer eligible for the credit or**
- 19 **deduction; and**

- 20 **(C) an explanation of the tax consequences and applicable**
- 21 **penalties if a taxpayer unlawfully claims a standard**
- 22 **deduction under IC 6-1.1-12-37 on:**

- 23 **(i) more than one (1) parcel of property; or**
- 24 **(ii) property that is not the taxpayer's principal place of**
- 25 **residence or is otherwise not eligible for a standard**
- 26 **deduction; and**

- 27 ~~(6)~~ (7) include any other information the county treasurer
- 28 requires.

- 29 **(b) The county treasurer may apply a deduction or a homestead**
- 30 **credit to a qualified property on a provisional bill. If a provisional**
- 31 **bill has been used for property tax billings for two (2) consecutive**
- 32 **years and a property qualifies for a deduction or a homestead**
- 33 **credit under IC 6-1.1-20.4 or IC 6-3.5-6-13 for the second year a**
- 34 **provisional bill is used, the county treasurer shall apply the**
- 35 **deductions and homestead credits on the provisional bill.**

36 SECTION 10, IC 6-1.1-22.5-12, AS AMENDED BY P.L.146-2008,
 37 SECTION 254, IS AMENDED TO READ AS FOLLOWS
 38 [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) Except as provided by
 39 subsection (c), each reconciling statement must indicate:

- 40 (1) the actual property tax liability under this article on the
- 41 assessment determined for the assessment date for the property
- 42 for which the reconciling statement is issued;

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(2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) thirty (30) days after the date of the reconciling statement;

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; or

(iii) the date specified in an ordinance adopted under section 18.5 of this chapter; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(b) If, upon receipt of the abstract referred to in section 6 of this chapter, the county treasurer determines that it is possible to complete the:

(1) preparation; and

(2) mailing or transmittal;

of the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement, the county treasurer may request in writing that the department of local government finance permit the county treasurer to issue a reconciling statement that adjusts the amount of the second installment that was specified in the provisional statement. If the department approves the county treasurer's request, the county treasurer shall prepare and mail or transmit the reconciling statement at least thirty (30) days before the due date of the second installment specified in the provisional statement.

(c) A reconciling statement prepared under subsection (b) must indicate:

(1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

(2) the total amount of the first installment paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount of the second installment that is payable by the taxpayer:

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(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) November 10; or

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(d) A reconciling statement must include the following information:

(1) A checklist that shows:

(A) homestead credits under IC 6-1.1-20.4, IC 6-3.5-6-13, or another law and all property tax deductions; and

(B) whether each homestead credit and property tax deduction was applied in the current reconciling statement.

(2) An explanation of the following:

(A) The procedure and deadline that a taxpayer must follow and the forms that must be used if a credit or deduction has been granted for the property and the taxpayer is no longer eligible for the credit or deduction.

(B) The tax consequences and applicable penalties if a taxpayer unlawfully claims a standard deduction under IC 6-1.1-12-37 on:

(i) more than one (1) parcel of property; or

(ii) property that is not the taxpayer's principal place of residence or is otherwise not eligible for a standard deduction.

The department of local government finance shall provide the explanation required by this subdivision to each county treasurer.

The information to be included in the statement under this subsection must be simply and clearly presented and understandable to the average individual.

SECTION 11. IC 6-1.1-36-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) As used in this section, "nonreverting fund" refers to a nonreverting fund established under subsection (c).

(b) Each county auditor that makes a determination that property was not eligible for a standard deduction under IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9

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(repealed) in a particular year shall notify the county treasurer of the determination. The county auditor shall issue a notice of taxes due to the owner and include a statement that the tax payment is to be made payable to the county auditor.

(c) Each county auditor shall establish a nonreverting fund into which the county auditor shall deposit the amount of delinquent taxes, penalties, and interest collected as a result of a tax statement sent after a determination by the county auditor that property was not eligible for a standard deduction under IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9 (repealed) in a particular year.

(d) The amount to be deposited in the nonreverting fund includes adjustments in the tax due as a result of the termination of deductions or credits available only for property that is the eligibility for a standard deduction under IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9 (repealed), including the following:

- (1) Supplemental deductions under IC 6-1.1-12-37.5.
- (2) Homestead credits under IC 6-1.1-20.4, IC 6-3.5-1.1-26, IC 6-3.5-6-13, IC 6-3.5-6-32, IC 6-3.5-7-13.1, or IC 6-3.5-7-26, or any other law.
- (3) Credit for excessive property taxes under IC 6-1.1-20.6-7.5 or IC 6-1.1-20.6-8.5.

Any amount paid that exceeds the amount required to be deposited shall be transferred to the county treasurer for distribution as property taxes.

(e) Money in the nonreverting fund shall be treated as miscellaneous revenue. Distributions shall be made from the nonreverting fund established under this section, without appropriation, only for the following purposes:

- (1) Fees and other costs incurred by the county auditor to discover property that is eligible for a standard deduction under IC 6-1.1-12-37 or a homestead credit under IC 6-1.1-20.9 (repealed).
- (2) Other expenses of the office of the county auditor.

The amount of deposits in a reverting fund, the balance of a nonreverting fund, and expenditures from a reverting fund may not be considered in establishing the budget of the office of the county auditor or in setting property tax levies that will be used in any part to fund the office of the county auditor.

SECTION 12. IC 6-9-39-5, AS AMENDED BY P.L.3-2008, SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2009]: Sec. 5. (a) The fiscal body of a county may collect a county option dog tax imposed under section 3 of this chapter by any combination of the following methods:

(1) By designating one (1) or more persons in the county to collect the tax.

(2) By requiring a person who harbors or keeps a taxable dog to submit a complete and accurate county option dog tax return.

(3) By a method other than a method described in subdivision (1) or (2) as determined by the fiscal body of the county.

(b) A designee under subsection (a)(1) may retain a fee from the tax collected for each taxable dog in an amount determined by the fiscal body not to exceed seventy-five cents (\$0.75). A designee shall remit the balance of the money collected to the county treasurer by the tenth day of each month.

(c) If a fiscal body chooses to collect a county option dog tax imposed under section 3 of this chapter by requiring the submission of a county option dog tax return under subsection (a), the county treasurer may include a county option dog tax return form with every property tax statement that is mailed to a person under ~~IC 6-1.1-22-8.1(b)(1)~~. **IC 6-1.1-22-8.1(a)(1).**

(d) The department of local government finance shall prescribe a county option dog tax return form that a county may use for the reporting of county option dog tax liability.

SECTION 13. IC 12-20-28-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 4. Upon request of the county auditor, the township trustee shall provide without charge a list of the landlord's names and addresses for all single family dwellings for which rental payments are being made as housing assistance under this article.**

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